



ANNUAL STATEMENT  
For the Year Ending December 31, 2008  
OF THE CONDITION AND AFFAIRS OF THE  
HEALTH RIGHT, INC.

NAIC Group Code	0000 (Current Period)	0000 (Prior Period)	NAIC Company Code	95787	Employer's ID Number	52-2011721
Organized under the Laws of	District of Columbia		State of Domicile or Port of Entry	District of Columbia		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[ ] Dental Service Corporation[ ] Other[ ]		Property/Casualty[ ] Vision Service Corporation[ ] Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ]		Hospital, Medical & Dental Service or Indemnity[ ] Health Maintenance Organization[X]	
Incorporated/Organized	11/01/1996		Commenced Business	05/01/1998		
Statutory Home Office	1101 14th Street, N.W. Suite 900 (Street and Number)		Washington, DC 20005 (City or Town, State and Zip Code)			
Main Administrative Office			1101 14th Street (Street and Number)			
	Washington, DC 20005 (City or Town, State and Zip Code)		(202)218-0373 (Area Code) (Telephone Number)			
Mail Address	1101 14th Street, N.W. Suite 900 (Street and Number or P.O. Box)		Washington, DC 20005 (City or Town, State and Zip Code)			
Primary Location of Books and Records			1101 14th Street, N.W. Suite 900 (Street and Number)			
	Washington, DC 20005 (City or Town, State and Zip Code)		(202)218-0373 (Area Code) (Telephone Number)			
Internet Website Address	www.healthright-dc.com					
Statutory Statement Contact	Donna Marie Carris (Name)		(202)218-0373-120 (Area Code)(Telephone Number)(Extension)			
	donna.carris@healthright-dc.com (E-Mail Address)		(202)218-0381 (Fax Number)			

OFFICERS

Name	Title
Vincent Augustine Keane	Chairman
Donna Marie Carris	Chief Executive Officer

OTHERS

DIRECTORS OR TRUSTEES

Marlene Kelley  
Richard Clayton Bohrer #

Charles Kenneth Barber

State of District of Columbia  
County of ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Vincent Augustine Keane	Donna Marie Carris	0
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
Chairman	Chief Executive Officer	0
(Title)	(Title)	(Title)
Subscribed and sworn to before me this	a. Is this an original filing?	Yes[X] No[ ]
day of , 2009	b. If no, 1. State the amendment number	
	2. Date filed	
	3. Number of pages attached	
(Notary Public Signature)		

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D) .....				
2.	Stocks (Schedule D)				
2.1	Preferred stocks .....				
2.2	Common Stocks .....				
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens .....				
3.2	Other than first liens .....				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2	Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3	Properties held for sale (less \$.....0 encumbrances) .....				
5.	Cash (\$.....782,423 Schedule E Part 1), cash equivalents (\$.....0 Schedule E Part 2) and short-term investments (\$.....28,143,694 Schedule DA) .....	28,926,117		28,926,117	33,842,801
6.	Contract loans (including \$.....0 premium notes) .....				
7.	Other invested assets (Schedule BA) .....				
8.	Receivables for securities .....				
9.	Aggregate write-ins for invested assets .....				
10.	Subtotals, cash and invested assets (Lines 1 to 9) .....	28,926,117		28,926,117	33,842,801
11.	Title plants less \$.....0 charged off (for Title insurers only) .....				
12.	Investment income due and accrued .....				
13.	Premiums and considerations				
13.1	Uncollected premiums and agents' balances in the course of collection .....				
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) .....				
13.3	Accrued retrospective premiums .....				
14.	Reinsurance:				
14.1	Amounts recoverable from reinsurers .....	124,270		124,270	
14.2	Funds held by or deposited with reinsured companies .....				
14.3	Other amounts receivable under reinsurance contracts .....				
15.	Amounts receivable relating to uninsured plans .....				
16.1	Current federal and foreign income tax recoverable and interest thereon .....	1,774,923	1,774,923		
16.2	Net deferred tax asset .....				38,100
17.	Guaranty funds receivable or on deposit .....				
18.	Electronic data processing equipment and software .....	6,321		6,321	
19.	Furniture and equipment, including health care delivery assets (\$.....82,085) .....	97,251		97,251	108,352
20.	Net adjustment in assets and liabilities due to foreign exchange rates .....				
21.	Receivables from parent, subsidiaries and affiliates .....	1,622,400		1,622,400	689,929
22.	Health care (\$.....0) and other amounts receivable .....	4,093,518	814,896	3,278,623	4,907,356
23.	Aggregate write-ins for other than invested assets .....				
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) .....	36,644,801	2,589,819	34,054,982	39,586,538
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
26.	Total (Lines 24 and 25) .....	36,644,801	2,589,819	34,054,982	39,586,538
DETAILS OF WRITE-INS					
0901.	0 .....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page .....				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....				
2301.	.....				
2302.	.....				
2303.	.....				
2398.	Summary of remaining write-ins for Line 23 from overflow page .....				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....				

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded) .....	26,369,885		26,369,885	21,956,626
2.	Accrued medical incentive pool and bonus amounts .....				
3.	Unpaid claims adjustment expenses .....	401,311		401,311	382,760
4.	Aggregate health policy reserves .....				
5.	Aggregate life policy reserves .....				
6.	Property/casualty unearned premium reserves .....				
7.	Aggregate health claim reserves .....				
8.	Premiums received in advance .....				
9.	General expenses due or accrued .....	885,301		885,301	904,129
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) .....				1,178,713
10.2	Net deferred tax liability .....				
11.	Ceded reinsurance premiums payable .....				
12.	Amounts withheld or retained for the account of others .....				
13.	Remittances and items not allocated .....				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				
15.	Amounts due to parent, subsidiaries and affiliates .....	10,000		10,000	
16.	Payable for securities .....				
17.	Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers) .....				
18.	Reinsurance in unauthorized companies .....				
19.	Net adjustments in assets and liabilities due to foreign exchange rates .....				
20.	Liability for amounts held under uninsured plans .....				
21.	Aggregate write-ins for other liabilities (including \$.....0 current) .....				
22.	Total liabilities (Lines 1 to 21) .....	27,666,497		27,666,497	24,422,228
23.	Aggregate write-ins for special surplus funds .....	X X X	X X X		
24.	Common capital stock .....	X X X	X X X	1,651,000	1,651,000
25.	Preferred capital stock .....	X X X	X X X		
26.	Gross paid in and contributed surplus .....	X X X	X X X		
27.	Surplus notes .....	X X X	X X X		
28.	Aggregate write-ins for other than special surplus funds .....	X X X	X X X		
29.	Unassigned funds (surplus) .....	X X X	X X X	6,037,485	14,813,310
30.	Less treasury stock, at cost:				
30.1	.....0 shares common (value included in Line 24 \$.....0) .....	X X X	X X X	1,300,000	1,300,000
30.2	.....0 shares preferred (value included in Line 25 \$.....0) .....	X X X	X X X		
31.	Total capital and surplus (Lines 23 to 29 minus Line 30) .....	X X X	X X X	6,388,485	15,164,310
32.	Total Liabilities, capital and surplus (Lines 22 and 31) .....	X X X	X X X	34,054,982	39,586,538
DETAILS OF WRITE-INS					
2101.	.....				
2102.	.....				
2103.	.....				
2198.	Summary of remaining write-ins for Line 21 from overflow page .....				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above) .....				
2301.	.....	X X X	X X X		
2302.	.....	X X X	X X X		
2303.	.....	X X X	X X X		
2398.	Summary of remaining write-ins for Line 23 from overflow page .....	X X X	X X X		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	X X X	X X X		
2801.	.....	X X X	X X X		
2802.	.....	X X X	X X X		
2803.	.....	X X X	X X X		
2898.	Summary of remaining write-ins for Line 28 from overflow page .....	X X X	X X X		
2899.	TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above) .....	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months .....	X X X .....	458,591	450,385
2.	Net premium income (including \$.....0 non-health premium income) .....	X X X .....	99,962,821	104,923,788
3.	Change in unearned premium reserves and reserve for rate credits .....	X X X .....		
4.	Fee-for-service (net of \$.....0 medical expenses) .....	X X X .....		
5.	Risk revenue .....	X X X .....		
6.	Aggregate write-ins for other health care related revenues .....	X X X .....		
7.	Aggregate write-ins for other non-health revenues .....	X X X .....		
8.	Total revenues (Lines 2 to 7) .....	X X X .....	99,962,821	104,923,788
Hospital and Medical:				
9.	Hospital/medical benefits .....		65,777,386	56,418,212
10.	Other professional services .....		26,341,773	27,737,843
11.	Outside referrals .....			
12.	Emergency room and out-of-area .....		1,172,657	1,328,272
13.	Prescription drugs .....		5,822,696	5,299,322
14.	Aggregate write-ins for other hospital and medical .....		63,589	43,545
15.	Incentive pool, withhold adjustments and bonus amounts .....			
16.	Subtotal (Lines 9 to 15) .....		99,178,100	90,827,194
Less:				
17.	Net reinsurance recoveries .....		124,270	249,620
18.	Total hospital and medical (Lines 16 minus 17) .....		99,053,830	90,577,574
19.	Non-health claims (net) .....			
20.	Claims adjustment expenses, including \$.....77,994 cost containment expenses .....		401,311	177,539
21.	General administrative expenses .....		6,309,026	6,089,156
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....			
23.	Total underwriting deductions (Lines 18 through 22) .....		105,764,167	96,844,269
24.	Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X .....	(5,801,345)	8,079,519
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		968,446	1,214,742
26.	Net realized capital gains (losses) less capital gains tax of \$.....0 .....			1,033
27.	Net investment gains (losses) (Lines 25 plus 26) .....		968,446	1,215,775
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] .....			
29.	Aggregate write-ins for other income or expenses .....			
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	X X X .....	(4,832,899)	9,295,294
31.	Federal and foreign income taxes incurred .....	X X X .....		2,786,938
32.	Net income (loss) (Lines 30 minus 31) .....	X X X .....	(4,832,899)	6,508,356
DETAILS OF WRITE-INS				
0601.	.....	X X X .....		
0602.	.....	X X X .....		
0603.	.....	X X X .....		
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	X X X .....		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X .....		
0701.	.....	X X X .....		
0702.	.....	X X X .....		
0703.	.....	X X X .....		
0798.	Summary of remaining write-ins for Line 7 from overflow page .....	X X X .....		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) .....	X X X .....		
1401.	Transportation .....		40,632	41,427
1402.	Translation .....		22,957	2,119
1403.	.....			
1498.	Summary of remaining write-ins for Line 14 from overflow page .....			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....		63,589	43,545
2901.	.....			
2902.	.....			
2903.	.....			
2998.	Summary of remaining write-ins for Line 29 from overflow page .....			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year .....	15,164,310	8,246,926
34.	Net income or (loss) from Line 32 .....	(4,832,899)	6,508,356
35.	Change in valuation basis of aggregate policy and claim reserves .....		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 .....		
37.	Change in net unrealized foreign exchange capital gain or (loss) .....		
38.	Change in net deferred income tax .....	(66,369)	
39.	Change in nonadmitted assets .....	(2,298,312)	
40.	Change in unauthorized reinsurance .....		
41.	Change in treasury stock .....		
42.	Change in surplus notes .....		
43.	Cumulative effect of changes in accounting principles .....		
44.	Capital Changes:		
44.1	Paid in .....		
44.2	Transferred from surplus (Stock Dividend) .....		
44.3	Transferred to surplus .....		
45.	Surplus adjustments:		
45.1	Paid in .....		
45.2	Transferred to capital (Stock Dividend) .....		
45.3	Transferred from capital .....	(2,351,440)	
46.	Dividends to stockholders .....	773,195	
47.	Aggregate write-ins for gains or (losses) in surplus .....		409,028
48.	Net change in capital and surplus (Lines 34 to 47) .....	(8,775,825)	6,917,384
49.	Capital and surplus end of reporting year (Line 33 plus 48) .....	6,388,485	15,164,310
DETAILS OF WRITE-INS			
4701.	Adj in Surplus .....		409,028
4702.	.....		
4703.	.....		
4798.	Summary of remaining write-ins for Line 47 from overflow page .....		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....		409,028

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance .....	99,962,821	105,565,630
2.	Net investment income .....	968,446	
3.	Miscellaneous income .....		
4.	Total (Lines 1 through 3) .....	100,931,267	105,565,630
5.	Benefit and loss related payments .....	94,764,841	2,553,512
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	6,691,786	(152,760)
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	3,020,005	117,562
10.	Total (Lines 5 through 9) .....	104,476,632	2,518,314
11.	Net cash from operations (Line 4 minus 10) .....	(3,545,365)	103,047,316
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....		
12.2	Stocks .....		
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7	Miscellaneous proceeds .....		
12.8	Total investment proceeds (Lines 12.1 to 12.7) .....		
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....		
13.2	Stocks .....		
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....		
13.7	Total investments acquired (Lines 13.1 to 13.6) .....		
14.	Net increase (decrease) in contract loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....		
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		
16.2	Capital and paid in surplus, less treasury stock .....		
16.3	Borrowed funds .....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5	Dividends to stockholders .....	(773,195)	
16.6	Other cash provided (applied) .....	(2,144,514)	(91,385,919)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(1,371,319)	(91,385,919)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(4,916,684)	11,661,397
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	33,842,801	22,181,404
19.2	End of year (Line 18 plus Line 19.1) .....	28,926,117	33,842,801

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001	.....		
---------	-------	--	--

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	3	4	5	6	7	8	9	10
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1.	Net premium income .....	99,962,821	48,023,686						44,949,777	6,989,358	
2.	Change in unearned premium reserves and reserve for rate credit .....										
3.	Fee-for-service (net of \$.0 medical expenses) .....										X X X
4.	Risk revenue .....										X X X
5.	Aggregate write-ins for other health care related revenues .....										X X X
6.	Aggregate write-ins for other non-health care related revenues .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7.	Total revenues (Lines 1 to 6) .....	99,962,821	48,023,686						44,949,777	6,989,358	
8.	Hospital/medical benefits .....	65,777,386	26,118,416						33,250,233	6,408,736	X X X
9.	Other professional services .....	26,341,773	13,590,716						12,250,420	500,636	X X X
10.	Outside referrals .....										X X X
11.	Emergency room and out-of-area .....	1,172,657	510,917						599,253	62,486	X X X
12.	Prescription drugs .....	5,822,696	1,064,101						4,750,324	8,270	X X X
13.	Aggregate write-ins for other hospital and medical .....	63,589	13,466						50,122		X X X
14.	Incentive pool, withhold adjustments and bonus amounts .....										X X X
15.	Subtotal (Lines 8 to 14) .....	99,178,100	41,297,617						50,900,354	6,980,129	X X X
16.	Net reinsurance recoveries .....	124,270								124,270	X X X
17.	Total hospital and medical (Lines 15 minus 16) .....	99,053,830	41,297,617						50,900,354	6,855,859	X X X
18.	Non-health claims (net) .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19.	Claims adjustment expenses including \$.77,994 cost containment expenses .....	401,311	188,186						188,407	24,719	
20.	General administrative expenses .....	6,309,026	2,872,465						2,841,241	595,320	
21.	Increase in reserves for accident and health contracts .....										X X X
22.	Increase in reserves for life contracts .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23.	Total underwriting deductions (Lines 17 to 22) .....	105,764,167	44,358,268						53,930,001	7,475,898	
24.	Net underwriting gain or (loss) (Line 7 minus Line 23) .....	(5,801,345)	3,665,418						(8,980,224)	(486,540)	
DETAILS OF WRITE-INS											
0501.	.....										X X X
0502.	.....										X X X
0503.	.....										X X X
0598.	Summary of remaining write-ins for Line 5 from overflow page .....										X X X
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....										X X X
0601.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698.	Summary of remaining write-ins for Line 6 from overflow page .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.	Transporation .....	40,632	1,334						39,297		X X X
1302.	Translation .....	22,957	12,132						10,825		X X X
1303.	.....										X X X
1398.	Summary of remaining write-ins for Line 13 from overflow page .....										X X X
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) .....	63,589	13,466						50,122		X X X

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 1 - PREMIUMS

		1	2	3	4
		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
Line of Business					
1.	Comprehensive (hospital and medical) .....	48,023,686			48,023,686
2.	Medicare Supplement .....				
3.	Dental only .....				
4.	Vision only .....				
5.	Federal Employees Health Benefits Plan .....				
6.	Title XVIII - Medicare .....				
7.	Title XIX - Medicaid .....	44,949,777			44,949,777
8.	Other health .....	6,989,441			6,989,441
9.	Health subtotal (Lines 1 through 8) .....	99,962,904			99,962,904
10.	Life .....				
11.	Property/casualty .....				
12.	TOTALS (Lines 9 to 11) .....	99,962,904			99,962,904



UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct .....	100,378,922	41,412,793						51,739,760	7,226,369	
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	100,378,922	41,412,793						51,739,760	7,226,369	
2. Paid medical incentive pools and bonuses .....										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct .....	26,301,911	12,362,347						12,315,283	1,624,281	
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....	26,301,911	12,362,347						12,315,283	1,624,281	
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct .....										
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....										
5. Accrued medical incentive pools and bonuses, current year .....										
6. Net healthcare receivables (a) .....	5,715,918	3,200,000							2,515,918	
7. Amounts recoverable from reinsurers December 31, current year .....	124,270								124,270	
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct .....	21,956,626	12,613,881						7,067,655	2,275,090	
8.2 Reinsurance assumed .....										
8.3 Reinsurance ceded .....										
8.4 Net .....	21,956,626	12,613,881						7,067,655	2,275,090	
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct .....										
9.2 Reinsurance assumed .....										
9.3 Reinsurance ceded .....										
9.4 Net .....										
10. Accrued medical incentive pools and bonuses, prior year .....										
11. Amounts recoverable from reinsurers December 31, prior year .....										
12. Incurred benefits:										
12.1 Direct .....	99,008,289	37,961,259						56,987,388	4,059,642	
12.2 Reinsurance assumed .....										
12.3 Reinsurance ceded .....	124,270								124,270	
12.4 Net .....	98,884,019	37,961,259						56,987,388	3,935,372	
13. Incurred medical incentive pools and bonuses .....										

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	119,196	84,727						34,468		
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	119,196	84,727						34,468		
2. Incurred but Unreported:										
2.1 Direct .....	26,182,716	12,277,620						12,280,815	1,624,281	
2.2 Reinsurance assumed .....										
2.3 Reinsurance ceded .....										
2.4 Net .....	26,182,716	12,277,620						12,280,815	1,624,281	
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....										
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....										
4. TOTALS										
4.1 Direct .....	26,301,911	12,362,347						12,315,283	1,624,281	
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....	26,301,911	12,362,347						12,315,283	1,624,281	

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business							
1.	Comprehensive (hospital and medical) .....	7,193,734	34,248,764	1,590,694	10,774,848	8,784,428	12,613,881
2.	Medicare Supplement .....						
3.	Dental only .....						
4.	Vision only .....						
5.	Federal Employees Health Benefits Plan .....						
6.	Title XVIII - Medicare .....						
7.	Title XIX - Medicaid .....	7,013,692	38,420,317	289,726	12,090,336	7,303,418	7,067,655
8.	Other health .....	2,586,058	5,020,161	50,789	1,573,492	2,636,847	2,275,090
9.	Health subtotal (Lines 1 to 8) .....	16,793,484	77,689,242	1,931,209	24,438,676	18,724,692	21,956,626
10.	Healthcare receivables (a) .....						
11.	Other non-health .....						
12.	Medical incentive pool and bonus amounts .....						
13.	TOTALS (Lines 9 - 10 + 11 + 12) .....	16,793,484	77,689,242	1,931,209	24,438,676	18,724,692	21,956,626

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	2,140	3			
2.	2004 .....	13,359	2,577	31		49
3.	2005 .....	X X X	18,093	3,030	3,016	3,515
4.	2006 .....	X X X	X X X	37,310	32,892	39,615
5.	2007 .....	X X X	X X X	X X X	51,061	63,145
6.	2008 .....	X X X	X X X	X X X	X X X	69,844

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....					
2.	2004 .....					49
3.	2005 .....	X X X		3,030	3,016	3,515
4.	2006 .....	X X X	X X X	41,492	32,921	39,615
5.	2007 .....	X X X	X X X	X X X	51,061	65,957
6.	2008 .....	X X X	X X X	X X X	X X X	93,403

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2004 .....		49	113	230.802	162				162	
2.	2005 .....		3,515	111	3.156	3,626				3,626	
3.	2006 .....	89,608	39,615	243	0.613	39,858	44.480			39,858	44.480
4.	2007 .....	99,120	63,145	443	0.701	63,588	64.152	2,812	42	66,442	67.032
5.	2008 .....	92,974	69,844	327	0.468	70,171	75.473	23,559	359	94,088	101.199

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Hospital and Medical  
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	.....	.....	.....	.....	.....
2.	2004 .....	.....	.....	.....	.....	.....
3.	2005 .....	X X X .....	.....	.....	.....	.....
4.	2006 .....	X X X .....	X X X .....	7,162 .....	7,132 .....	7,369 .....
5.	2007 .....	X X X .....	X X X .....	X X X .....	36,052 .....	43,008 .....
6.	2008 .....	X X X .....	X X X .....	X X X .....	X X X .....	34,716 .....

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	.....	.....	.....	.....	.....
2.	2004 .....	.....	.....	.....	.....	.....
3.	2005 .....	X X X .....	.....	.....	.....	.....
4.	2006 .....	X X X .....	X X X .....	10,191 .....	7,162 .....	7,369 .....
5.	2007 .....	X X X .....	X X X .....	X X X .....	36,052 .....	45,252 .....
6.	2008 .....	X X X .....	X X X .....	X X X .....	X X X .....	44,837 .....

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2004 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.	2005 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.	2006 .....	26,171 .....	7,369 .....	115 .....	1.566 .....	7,484 .....	28.598 .....	.....	.....	7,484 .....	28.598 .....
4.	2007 .....	59,287 .....	43,008 .....	222 .....	0.517 .....	43,230 .....	72.917 .....	2,244 .....	34 .....	45,509 .....	76.760 .....
5.	2008 .....	48,024 .....	34,716 .....	156 .....	0.451 .....	34,872 .....	72.614 .....	10,122 .....	154 .....	45,148 .....	94.011 .....

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Medicare Supplement  
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	.....	.....	.....	.....	.....
2.	2004 .....	.....	.....	.....	.....	.....
3.	2005 .....	X X X .....	.....	.....	.....	.....
4.	2006 .....	X X X .....	X X X .....	.....	.....	.....
5.	2007 .....	X X X .....	X X X .....	X X X .....	.....	.....
6.	2008 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	.....	.....	.....	.....	.....
2.	2004 .....	.....	.....	.....	.....	.....
3.	2005 .....	X X X .....	.....	.....	.....	.....
4.	2006 .....	X X X .....	X X X .....	.....	.....	.....
5.	2007 .....	X X X .....	X X X .....	X X X .....	.....	.....
6.	2008 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2004 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.	2005 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.	2006 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.	2007 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5.	2008 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Dental Only

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	.....	.....	.....	.....	.....
2.	2004 .....	.....	.....	.....	.....	.....
3.	2005 .....	X X X .....	.....	.....	.....	.....
4.	2006 .....	X X X .....	X X X .....	.....	.....	.....
5.	2007 .....	X X X .....	X X X .....	X X X .....	.....	.....
6.	2008 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	.....	.....	.....	.....	.....
2.	2004 .....	.....	.....	.....	.....	.....
3.	2005 .....	X X X .....	.....	.....	.....	.....
4.	2006 .....	X X X .....	X X X .....	.....	.....	.....
5.	2007 .....	X X X .....	X X X .....	X X X .....	.....	.....
6.	2008 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2004 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.	2005 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.	2006 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.	2007 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5.	2008 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

12 Dental Only

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Vision Only

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	.....	.....	.....	.....	.....
2.	2004 .....	.....	.....	.....	.....	.....
3.	2005 .....	X X X .....	.....	.....	.....	.....
4.	2006 .....	X X X .....	X X X .....	.....	.....	.....
5.	2007 .....	X X X .....	X X X .....	X X X .....	.....	.....
6.	2008 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	.....	.....	.....	.....	.....
2.	2004 .....	.....	.....	.....	.....	.....
3.	2005 .....	X X X .....	.....	.....	.....	.....
4.	2006 .....	X X X .....	X X X .....	.....	.....	.....
5.	2007 .....	X X X .....	X X X .....	X X X .....	.....	.....
6.	2008 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2004 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.	2005 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.	2006 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.	2007 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5.	2008 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

12 Vision Only



UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Federal Employees Health Benefits Plan Premiums

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....					
2.	2004 .....					
3.	2005 .....	X X X .....				
4.	2006 .....	X X X .....	X X X .....			
5.	2007 .....	X X X .....	X X X .....	X X X .....		
6.	2008 .....	X X X .....	X X X .....	X X X .....	X X X .....	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....					
2.	2004 .....					
3.	2005 .....	X X X .....				
4.	2006 .....	X X X .....	X X X .....			
5.	2007 .....	X X X .....	X X X .....	X X X .....		
6.	2008 .....	X X X .....	X X X .....	X X X .....	X X X .....	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2004 .....										
2.	2005 .....										
3.	2006 .....										
4.	2007 .....										
5.	2008 .....										

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	.....	.....	.....	.....	.....
2.	2004 .....	.....	.....	.....	.....	.....
3.	2005 .....	X X X .....	.....	.....	.....	.....
4.	2006 .....	X X X .....	X X X .....	.....	.....	.....
5.	2007 .....	X X X .....	X X X .....	X X X .....	.....	.....
6.	2008 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	.....	.....	.....	.....	.....
2.	2004 .....	.....	.....	.....	.....	.....
3.	2005 .....	X X X .....	.....	.....	.....	.....
4.	2006 .....	X X X .....	X X X .....	.....	.....	.....
5.	2007 .....	X X X .....	X X X .....	X X X .....	.....	.....
6.	2008 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2004 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.	2005 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.	2006 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.	2007 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5.	2008 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	2,140	3			
2.	2004 .....	13,359	2,577	31		49
3.	2005 .....	X X X	18,093	3,030	3,016	3,515
4.	2006 .....	X X X	X X X	30,148	23,970	30,435
5.	2007 .....	X X X	X X X	X X X	9,552	12,116
6.	2008 .....	X X X	X X X	X X X	X X X	30,170

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....					
2.	2004 .....					49
3.	2005 .....	X X X		3,030	3,016	3,515
4.	2006 .....	X X X	X X X	30,148	23,970	30,435
5.	2007 .....	X X X	X X X	X X X	9,552	12,617
6.	2008 .....	X X X	X X X	X X X	X X X	42,049

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2004 .....		49	113	230.802	162				162	
2.	2005 .....		3,515	111	3.156	3,626				3,626	
3.	2006 .....	35,766	30,435	127	0.418	30,562	85.451			30,562	85.451
4.	2007 .....	39,833	12,116	149	1.227	12,265	30.790	501	8	12,774	32.068
5.	2008 .....	44,950	30,170	151	0.502	30,321	67.456	11,879	181	42,381	94.286

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Other

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	.....	.....	.....	.....	.....
2.	2004 .....	.....	.....	.....	.....	.....
3.	2005 .....	X X X .....	.....	.....	.....	.....
4.	2006 .....	X X X .....	X X X .....	.....	1,790 .....	1,811 .....
5.	2007 .....	X X X .....	X X X .....	X X X .....	5,457 .....	8,021 .....
6.	2008 .....	X X X .....	X X X .....	X X X .....	X X X .....	4,958 .....

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	.....	.....	.....	.....	.....
2.	2004 .....	.....	.....	.....	.....	.....
3.	2005 .....	X X X .....	.....	.....	.....	.....
4.	2006 .....	X X X .....	X X X .....	1,153 .....	1,789 .....	1,811 .....
5.	2007 .....	X X X .....	X X X .....	X X X .....	5,457 .....	8,087 .....
6.	2008 .....	X X X .....	X X X .....	X X X .....	X X X .....	6,516 .....

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2004 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.	2005 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.	2006 .....	27,671 .....	1,811 .....	0 .....	0.002 .....	1,811 .....	6.546 .....	.....	.....	1,811 .....	6.546 .....
4.	2007 .....	.....	8,021 .....	72 .....	0.896 .....	8,093 .....	.....	66 .....	1 .....	8,160 .....	.....
5.	2008 .....	.....	4,958 .....	19 .....	0.380 .....	4,977 .....	.....	1,558 .....	24 .....	6,559 .....	.....

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....									
2. Additional policy reserves (a) .....									
3. Reserve for future contingent benefits .....									
4. Reserve for rate credits or experience rating refunds (including \$.....0) for investment income .....									
5. Aggregate write-ins for other policy reserves .....									
6. Totals (gross) .....									
7. Reinsurance ceded .....									
8. Totals (Net) (Page 3, Line 4) .....									
9. Present value of amounts not yet due on claims .....									
10. Reserve for future contingent benefits .....									
11. Aggregate write-ins for other claim reserves .....									
12. Totals (gross) .....									
13. Reinsurance ceded .....									
14. Totals (Net) (Page 3, Line 7) .....									
DETAILS OF WRITE-INS									
0501. ....									
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page ..									
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above) .....									
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page .									
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) ....									

(a) Includes \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....0 for occupancy of own building) .....		111,924	423,584		535,508
2.	Salaries, wages and other benefits .....	48,748	142,908	2,574,540		2,766,196
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed) .....					
4.	Legal fees and expenses .....			207,478		207,478
5.	Certifications and accreditation fees .....					
6.	Auditing, actuarial and other consulting services .....			717,421		717,421
7.	Traveling expenses .....			25,177		25,177
8.	Marketing and advertising .....			383,845		383,845
9.	Postage, express and telephone .....			168,205		168,205
10.	Printing and office supplies .....	4,850	29,175	108,613		142,638
11.	Occupancy, depreciation and amortization .....					
12.	Equipment .....			26,720		26,720
13.	Cost or depreciation of EDP equipment and software .....			160,876		160,876
14.	Outsourced services including EDP, claims, and other services .....	31,393	32,313	414,436		478,142
15.	Boards, bureaus and association fees .....			20,379		20,379
16.	Insurance, except on real estate .....			97,272		97,272
17.	Collection and bank service charges .....			1,073		1,073
18.	Group service and administration fees .....					
19.	Reimbursements by uninsured plans .....					
20.	Reimbursements from fiscal intermediaries .....					
21.	Real estate expenses .....					
22.	Real estate taxes .....					
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes .....					
23.2	State premium taxes .....					
23.3	Regulator authority licenses and fees .....			5,035		5,035
23.4	Payroll taxes .....			177,152		177,152
23.5	Other (excluding federal income and real estate taxes) .....			42,587		42,587
24.	Investment expenses not included elsewhere .....					
25.	Aggregate write-ins for expenses .....			747,639		747,639
26.	Total expenses incurred (Lines 1 to 25) .....	84,991	316,320	6,302,030		(a) 6,703,341
27.	Less expenses unpaid December 31, current year .....			885,301		885,301
28.	Add expenses unpaid December 31, prior year .....					
29.	Amounts receivable relating to uninsured plans, prior year .....					
30.	Amounts receivable relating to uninsured plans, current year .....					
31.	Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	84,991	316,320	5,416,729		5,818,040
DETAILS OF WRITE-INS						
2501.	Credentialing .....			40,063		40,063
2502.	Management Fees .....			259,474		259,474
2503.	Contributions .....			89,931		89,931
2598.	Summary of remaining write-ins for Line 25 from overflow page .....			358,171		358,171
2599.	Totals (Lines 2501 through 2503 + 2598) (Line 25 above) .....			747,639		747,639

(a) Includes management fees of \$.....259,474 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds .....	(a).....	
1.1	Bonds exempt from U.S. tax .....	(a).....	
1.2	Other bonds (unaffiliated) .....	(a).....	
1.3	Bonds of affiliates .....	(a).....	
2.1	Preferred stocks (unaffiliated) .....	(b).....	
2.11	Preferred stocks of affiliates .....	(b).....	
2.2	Common stocks (unaffiliated) .....		
2.21	Common stocks of affiliates .....		
3.	Mortgage loans .....	(c).....	
4.	Real estate .....	(d).....	
5.	Contract loans .....		
6.	Cash, cash equivalents and short-term investments .....	(e)..... 968,446	968,446
7.	Derivative instruments .....	(f).....	
8.	Other invested assets .....		
9.	Aggregate write-ins for investment income .....		
10.	Total gross investment income .....	968,446	968,446
11.	Investment expenses .....		(g).....
12.	Investment taxes, licenses and fees, excluding federal income taxes .....		(g).....
13.	Interest expense .....		(h).....
14.	Depreciation on real estate and other invested assets .....		(i).....
15.	Aggregate write-ins for deductions from investment income .....		
16.	Total deductions (Lines 11 through 15) .....		
17.	Net Investment income (Line 10 minus Line 16) .....		968,446
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	.....	.....
1501.	.....		
1502.	.....		
1503.	.....		
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above) .....		
(a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.			
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.			
(e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.			
(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.			
(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....					
1.1	Bonds exempt from U.S. tax .....					
1.2	Other bonds (unaffiliated) .....					
1.3	Bonds of affiliates .....					
2.1	Preferred stocks (unaffiliated) .....					
2.11	Preferred stocks of affiliates .....					
2.2	Common stocks (unaffiliated) .....					
2.21	Common stocks of affiliates .....					
3.	Mortgage loans .....					
4.	Real estate .....					
5.	Contract loans .....					
6.	Cash, cash equivalents and short-term investments .....					
7.	Derivative instruments .....					
8.	Other invested assets .....					
9.	Aggregate write-ins for capital gains (losses) .....					
10.	Total capital gains (losses) .....					
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	.....	.....	.....	.....	.....

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D) .....			
2.	Stocks (Schedule D):			
2.1	Preferred stocks .....			
2.2	Common stocks .....			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens .....			
3.2	Other than first liens .....			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company .....			
4.2	Properties occupied for the production of income .....			
4.3	Properties held for sale .....			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6.	Contract loans .....			
7.	Other invested assets (Schedule BA) .....			
8.	Receivables for securities .....			
9.	Aggregate write-ins for invested assets .....			
10.	Subtotals, cash and invested assets (Lines 1 to 9) .....			
11.	Title plants (for Title insurers only) .....			
12.	Invested income due and accrued .....			
13.	Premium and considerations:			
13.1	Uncollected premiums and agents' balances in the course of collection .....			
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
13.3	Accrued retrospective premiums .....			
14.	Reinsurance:			
14.1	Amounts recoverable from reinsurers .....			
14.2	Funds held by or deposited with reinsured companies .....			
14.3	Other amounts receivable under reinsurance contracts .....			
15.	Amounts receivable relating to uninsured plans .....			
16.1	Current federal and foreign income tax recoverable and interest thereon .....	1,774,923		(1,774,923)
16.2	Net deferred tax asset .....			
17.	Guaranty funds receivable or on deposit .....			
18.	Electronic data processing equipment and software .....		160,501	160,501
19.	Furniture and equipment, including health care delivery assets .....		114,428	114,428
20.	Net adjustment in assets and liabilities due to foreign exchange rates .....			
21.	Receivables from parent, subsidiaries and affiliates .....			
22.	Health care and other amounts receivable .....	814,896	16,578	(798,318)
23.	Aggregate write-ins for other than invested assets .....			
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) .....	2,589,819	291,507	(2,298,312)
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
26.	Total (Lines 24 and 25) .....	2,589,819	291,507	(2,298,312)
DETAILS OF WRITE-INS				
0901.	.....			
0902.	.....			
0903.	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page .....			
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....			
2301.	.....			
2302.	.....			
2303.	.....			
2398.	Summary of remaining write-ins for Line 23 from overflow page .....			
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....			



EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations .....	38,056	37,842	39,321	38,111	38,906	458,591
2.	Provider Service Organizations .....						
3.	Preferred Provider Organizations .....						
4.	Point of Service .....						
5.	Indemnity Only .....						
6.	Aggregate write-ins for other lines of business .....						
7.	TOTAL .....	38,056	37,842	39,321	38,111	38,906	458,591
DETAILS OF WRITE-INS							
0601.	.....						
0602.	.....						
0603.	.....						
0698.	Summary of remaining write-ins for Line 6 from overflow page .....						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....						

# Notes to Financial Statement

HEALTH RIGHT, INC.

Notes To Financial Statement

Note 1.           **Summary of Significant Accounting Policies**

**A. Accounting Practices** - The accompanying financial statements of Health Right, Inc. (HRI) are presented on the basis of accounting practices prescribed or permitted by the District of Columbia’s Department of Insurance and Securities Regulations (DISR).

The District of Columbia Department of Insurance and Securities Regulations recognizes only statutory accounting practices prescribed or permitted by the District of Columbia for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the District of Columbia Insurance Law. The National Association of Insurance Commissioners’ (NAIC) *Accounting Practices and Procedures* manual, version effective March 2005 (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the District of Columbia.

**B. Use of Estimates in the Preparation of the Financial Statements** – The preparation of financial statements in conformity with the NAIC Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**C. Accounting Policy** – HRI records premium revenues based on its membership records. Premiums are due monthly and are recognized as revenue during the period in which the company is obliged to provide service to members.

In addition, the company uses the following accounting policies:

- 1) Short-term investments consist of readily marketable securities with maturities greater than three months but less than one year at the time of purchase.
- 2) None.
- 3) Unpaid claims and loss adjustment expenses include an amount determined from individual case estimates and claim reports and an amount, based on past experience, for claims incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
- 4) HRI has not modified its capitalization policy from the prior period.

Note 2.           **Accounting Changes and Corrections of Errors**

None.

Note 3.           **Business Combinations and Goodwill**

None.

Note 4.           **Discontinued Operations**

None.

Note 5.           **Investments**

## Notes to Financial Statement

Mortgage Loans, Debt Restructuring, Reverse Mortgages, Loan-Backed Securities Repurchase Agreements, or Real Estate – None.

**Note 6. Joint Ventures, Partnerships and Limited Liability Companies**

None.

**Note 7. Investment Income**

HRI reports only investment income that is earned as due and accrued.

**Note 8. Derivative Instruments**

None.

**Note 9. Income Taxes**

HRI has no deferred tax assets or liabilities as of December 31, 2008.

**Note 10. Information Concerning Parent, Subsidiaries and Affiliates**

- A. HRI is primarily owned by Unity Health Care, Inc. (UHC), who has rights to 97% of the organization.
- B. On the 15<sup>th</sup> of each month, HRI pays Unity Health Care, Inc. for management services. A total of \$322,362 was paid for the year ended December 31, 2008.
- C. Same as above.
- D. At December 31, 2008, HRI reported \$1,622,400 as amounts due from the Parent Company, Unity Health Care. The terms of the settlement require that these amounts be settled within 60 days.
- E. None.
- F. Management and Administrative Services Agreement: On January 1, 2000, HRI entered into a management and administrative service agreement with UHC to provide senior management support, medical personnel support, human resources and payroll support, and financial and accounting support. This agreement also provides the services of Unity's Executive Director and Medical Director part-time, to function as the Chairman and the Medical Director of HRI. This agreement was amended in November 2008 to a cost-based contract. In accordance with the amended agreement, HRI shall reimburse UHC for the total allocated share of General and Administrative (G&A) Services. UHC shall accumulate G&A costs that benefit both HRI and UHC into a cost pool and shall allocate a fair share of the pool to HRI on a quarterly basis using direct labor as an allocation. Any services not accounted for in the G&A cost pool shall be charged to HRI at the full cost of such services, including labor, fringe, overhead, space, and any other reasonable, allocable cost of providing such services. The agreement is retroactive to June 1, 2008 and shall continue until terminated by either party, or at any time upon the mutual consent of the parties.

HRI has agreed to perform claim administrative services for Unity Health Care who services the Department of Corrections population.

- G. HRI is primarily owned by UHC.
- H. None.
- I. None.
- J. None.

**Note 11. Debt**

None.

**Note 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

Notes to Financial Statement

HRI employees are covered by a defined contribution plan but contributions are matched up to 5% of each employee's compensation at the end of the each year. HRI's contribution for the plan was \$0 and \$39,965 for 2008 and 2007, respectively.

Note 13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- 1) HRI has 1,000 shares authorized and issued and 369 shares outstanding.
- 2) HRI has no preferred stock outstanding.
- 3) Dividend restrictions – None.
- 4) Ordinary dividends – None.
- 5) Restrictions on surplus – None.
- 6) Advances to surplus – None.
- 7) HRI has 631 shares of common stock held by the company in treasury.
- 8) Changes of balance in surplus funds – None.
- 9) Unassigned funds (surplus) were reduced in as follows:
  - a) Unrealized gains and losses: \$0
  - b) Nonadmitted asset values: \$0
  - c) Separate account business: \$0
  - d) Asset valuation reserves: \$0
  - e) Provision for reinsurance: \$0
- 10) Surplus debentures or similar obligations – None.
- 11) Quasi-reorganizations – None.
- 12) Quasi-reorganizations – None.

Note 14. Contingencies

None.

Note 15. Leases

HRI entered into an office lease agreement commencing October 1, 2001 with an expiration date of September 30, 2011. The lease was amended in December 2005 for additional space, and the termination date was extended to July 31, 2013. The lease has an initial monthly payment approximating \$18,340 with an escalation of at least 2.5% per year. Rent expense incurred under the office lease for the years ended December 31, 2008 and 2007 was \$423,584 and \$403,867, respectively.

Future lease commitments under the agreement are estimated as follows:

Years ending December 31	
2009	387,674
2010	391,443
2011	409,843
2012 through 2013	670,352
Total	\$ 1,859,312

Note 16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

None.

Note 17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

None.

Notes to Financial Statement

Note 18.	<b>Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans</b>
	None.
Note 19.	<b>Direct Premium Written/Produced by Managing General Agents/Third Party Administrators</b>
	None.
Note 20.	<b>Other Items</b>
	None.
Note 21.	<b>Events Subsequent</b>
	None.
Note 22.	<b>Reinsurance</b>
	<p>HRI entered into a stop-loss insurance agreement with an insurance company to limit its losses on individual claims. Under the terms of this agreement, the insurance company will reimburse HRI approximately 90% of the cost of each member's eligible annual hospital services and eligible medical services, in excess of \$100,000 per member, respectively; if services are performed in a "per diem" or approved fixed procedural fee hospital. In the event HRI ceases operations, plan benefits will continue for members until the end of the contract period for which premiums have been paid.</p> <p>Stop Loss insurance premiums for 2008 and 2007 were \$231,502 and \$580,372, respectively. Reinsurance recovery for the years ended December 31, 2008 and 2007 were \$223,780 and \$249,620, respectively. Uncollectible Reinsurance and Commutation of Ceded Reinsurance – None.</p> <p>In May 2006, HRI added a retro corridor to the reinsurance policy. In the event total eligible claims under the policy exceed 55% of the total premium due, the reinsuring company will reimburse HRI an amount equal to 55% of the total premium. If total claims exceed the sum of 55% of the total premium due plus the pmpm multiplied by the annual member months, the responsibility for payment of the excess will also be of the reinsuring company.</p>
Note 23.	<b>Retrospectively Rated Contracts &amp; Contracts Subject to Redetermination</b>
	None.
Note 24.	<b>Change in Incurred Claims and Claim Adjustment Expenses</b>
	<p>Reserves for claim adjustment expenses are included for operational procedures.</p> <p>Reserves for incurred claims attributable to insured events increased by \$4.6 million from the previous year.</p>
Note 25.	<b>Intercompany Pooling Arrangements</b>
	None.
Note 26.	<b>Structured Settlements</b>
	None.
Note 27.	<b>Health Care Receivables</b>
	<p>On December 31, 2008, HRI had a receivable of \$4,822,400; \$3,200,000 due from DCHCSNA and \$1,622,400 from Unity Health Care Inc. HRI received the funds due from DCHCSNA on January 14, 2009.</p>

Notes to Financial Statement

- Note 28.

Participating Policies

None.
- Note 29.

Premium Deficiency Reserves

None.
- Note 30.

Anticipated Salvage and Subrogation

None.

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[X] No[ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[ ] N/A[ ]  
District of Columbia
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[ ] No[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2003
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2003
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

07/07/2004
- 3.4 By what department or departments?

Department of Insurance and Securities Regulation
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes[X] No[ ] N/A[ ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[X] No[ ] N/A[ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[ ] No[X]
- 4.12 renewals?

Yes[ ] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[ ] No[X]
- 4.22 renewals?

Yes[ ] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[ ] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[ ] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[ ] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1	2
Nationality	Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[ ] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
		Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

McGladrey & Pullen LLP; 1185 Avenue of the Americas, 19th FL; New York, NY 10036
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Actuarial Health Solutions, LLC; 1721 Waterford Way; Maple Glen, PA 19002
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[ ] No[X]
- 11.11 Name of real estate holding company
- 11.12 Number of parcels involved

0
- 11.13 Total book/adjusted carrying value

\$ 0
- 11.2 If yes, provide explanation
12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[ ] No[X] N/A[ ]
- 12.3 Have there been any changes made to any of the trust indentures during the year?

Yes[ ] No[ ] N/A[X]

GENERAL INTERROGATORIES (Continued)

- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?
- Yes[ ] No[ ] N/A[X]
- 13.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?  
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
c. Compliance with applicable governmental laws, rules and regulations;  
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
e. Accountability for adherence to the code.
- Yes[X] No[ ]
- 13.11 If the response to 13.1 is No, please explain:
- 13.2 Has the code of ethics for senior managers been amended?
- Yes[ ] No[X]
- 13.21 If the response to 13.2 is Yes, provide information related to amendment(s).
- 13.3 Have any provisions of the code of ethics been waived for any of the specified officers?
- Yes[ ] No[X]
- 13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).

BOARD OF DIRECTORS

14. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?
- Yes[X] No[ ]
15. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?
- Yes[X] No[ ]
16. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?
- Yes[X] No[ ]

FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- Yes[ ] No[X]
- 18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):  
18.11 To directors or other officers  
18.12 To stockholders not officers  
18.13 Trustees, supreme or grand (Fraternal only)
- \$ ..... 0  
\$ ..... 0  
\$ ..... 0
- 18.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):  
18.21 To directors or other officers  
18.22 To stockholders not officers  
18.23 Trustees, supreme or grand (Fraternal only)
- \$ ..... 0  
\$ ..... 0  
\$ ..... 0
- 19.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?
- Yes[ ] No[X]
- 19.2 If yes, state the amount thereof at December 31 of the current year:  
19.21 Rented from others  
19.22 Borrowed from others  
19.23 Leased from others  
19.24 Other
- \$ ..... 0  
\$ ..... 0  
\$ ..... 0  
\$ ..... 0
- 20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?
- Yes[ ] No[X]
- 20.2 If answer is yes:  
20.21 Amount paid as losses or risk adjustment  
20.22 Amount paid as expenses  
20.23 Other amounts paid
- \$ ..... 0  
\$ ..... 0  
\$ ..... 0
- 21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
- Yes[X] No[ ]
- 21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- \$ ..... 1,622,400

INVESTMENT

- 22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3)
- Yes[X] No[ ]
- 22.2 If no, give full and complete information, relating thereto:
- 22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet, (an alternative is to reference Note 16 where this information is also provided)
- 22.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?
- Yes[ ] No[ ] N/A[X]
- 22.5 If answer to 22.4 is YES, report amount of collateral
- \$ ..... 0
- 22.6 If answer to 22.4 is NO, report amount of collateral
- \$ ..... 0
- 23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3).
- Yes[ ] No[X]
- 23.2 If yes, state the amount thereof at December 31 of the current year:  
23.21 Subject to repurchase agreements  
23.22 Subject to reverse repurchase agreements  
23.23 Subject to dollar repurchase agreements  
23.24 Subject to reverse dollar repurchase agreements  
23.25 Pledged as collateral  
23.26 Placed under option agreements  
23.27 Letter stock or securities restricted as to sale  
23.28 On deposit with state or other regulatory body  
23.29 Other
- \$ ..... 0  
\$ ..... 0  
\$ ..... 0  
\$ ..... 0  
\$ ..... 0  
\$ ..... 0  
\$ ..... 0  
\$ ..... 0  
\$ ..... 0
- 23.3 For category (23.27) provide the following:

1	2	3
Nature of Restriction	Description	Amount
.....	.....	.....

- 24.1 Does the reporting entity have any hedging transactions reported on Schedule DB?
- Yes[ ] No[X]
- 24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?  
If no, attach a description with this statement.
- Yes[ ] No[ ] N/A[X]
- 25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?
- Yes[ ] No[X]
- 25.2 If yes, state the amount thereof at December 31 of the current year.
- \$ ..... 0



GENERAL INTERROGATORIES (Continued)

26. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook?
- 26.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:
- Yes[X] No[ ]

1 Name of Custodian(s)	2 Custodian's Address
Sun Trust Bank .....	1445 New York Ave, NW, Washington, DC 20005-2158 .....

- 26.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....	.....	.....

- 26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year?
- 26.04 If yes, give full and complete information relating thereto:
- Yes[ ] No[X]

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....	.....	.....	.....

- 26.05 Identify all investment advisers, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
6271 .....	Sun Trust Capital Markets .....	303 Peachtree Street, N.E., Mail Code 0669 Floor 36 Atlanta, GA 30308 .....

- 27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?
- 27.2 If yes, complete the following schedule:
- Yes[ ] No[X]

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
27.2999 Total .....	.....	.....

- 27.3 For each mutual fund listed in the table above, complete the following schedule:

1  Name of Mutual Fund (from above table)	2  Name of Significant Holding of the Mutual Fund	3  Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4  Date of Valuation
.....	.....	.....	.....

28. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1  Statement (Admitted) Value	2  Fair Value	3  Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds .....	.....	.....	.....
28.2 Preferred stocks .....	.....	.....	.....
28.3 Totals .....	.....	.....	.....

- 28.4 Describe the sources of methods utilized in determining the fair values
- 0

- 29.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?
- 29.2 If no, list exceptions:
- Yes[X] No[ ]

OTHER

- 30.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?
- 30.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.
- \$..... 0

**GENERAL INTERROGATORIES (Continued)**

1	2
Name	Amount Paid
.....	.....

31.1 Amount of payments for legal expenses, if any?

31.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

\$..... 0

1	2
Name	Amount Paid
.....	.....

32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

32.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

\$..... 0

1	2
Name	Amount Paid
.....	.....



FIVE-YEAR HISTORICAL DATA

	1 2008	2 2007	3 2006	4 2005	5 2004
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 26) .....	34,054,982	39,586,538	27,940,894	8,697,466	7,842,169
2. Total liabilities (Page 3, Line 22) .....	27,666,497	24,422,228	19,693,967	3,616,286	3,460,667
3. Statutory surplus .....		14,430,549	6,578,782	3,379,918	3,117,390
4. Total capital and surplus (Page 3, Line 31) .....	6,388,485	15,164,310	8,246,927	5,081,179	4,381,953
<b>INCOME STATEMENT (Page 4)</b>					
5. Total revenues (Line 8) .....	99,962,821	104,923,788	62,458,717	31,849,764	27,126,526
6. Total medical and hospital expenses (Line 18) .....	99,053,830	90,577,574	53,464,966	26,928,431	21,714,793
7. Claims adjustment expenses (Line 20) .....	401,311	177,539	177,539	155,000	427,973
8. Total administrative expenses (Line 21) .....	6,309,026	6,089,156	4,163,890	3,799,076	3,931,850
9. Net underwriting gain (loss) (Line 24) .....	(5,801,345)	8,079,519	4,652,322	967,256	1,051,910
10. Net investment gain (loss) (Line 27) .....	968,446	1,215,775	677,464	228,268	67,197
11. Total other income (Lines 28 plus 29) .....					
12. Net income or (loss) (Line 32) .....	(4,832,899)	6,508,356	3,167,035	694,560	707,886
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	(3,545,365)	103,047,316	14,018,580	81,920	
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. Total adjusted capital .....	6,388,485	14,781,549	8,246,926	5,081,179	4,381,953
15. Authorized control level risk-based capital .....	4,153,679	4,296,912	3,289,391	1,689,959	1,558,695
<b>ENROLLMENT (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7) .....	38,906	38,056	39,160	13,408	12,367
17. Total members months (Column 6, Line 7) .....	458,591	450,385	308,146	154,604	139,839
<b>OPERATING PERCENTAGE (Page 4)</b>					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	99.1	86.3	85.6	84.5	80.0
20. Cost containment expenses .....	0.1	0.2	0.3		
21. Other claims adjustment expenses .....	0.3				1.6
22. Total underwriting deductions (Line 23) .....	105.8	92.3	92.6	97.0	96.1
23. Total underwriting gain (loss) (Line 24) .....	(6)	8	7	3	4
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Column 5) .....	18,724,692	16,007,583	3,030,152	2,737,620	2,366,683
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....	21,956,626	17,930,562	3,179,557	2,870,863	2,289,640
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
26. Affiliated bonds (Sch. D Summary, Line 25, Column 1) .....					
27. Affiliated preferred stocks (Sch. D Summary, Line 39, Column 1) .....					
28. Affiliated common stocks (Sch. D Summary, Line 53, Column 1) .....					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) .....					
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....					
32. Total of above Lines 26 to 31 .....					

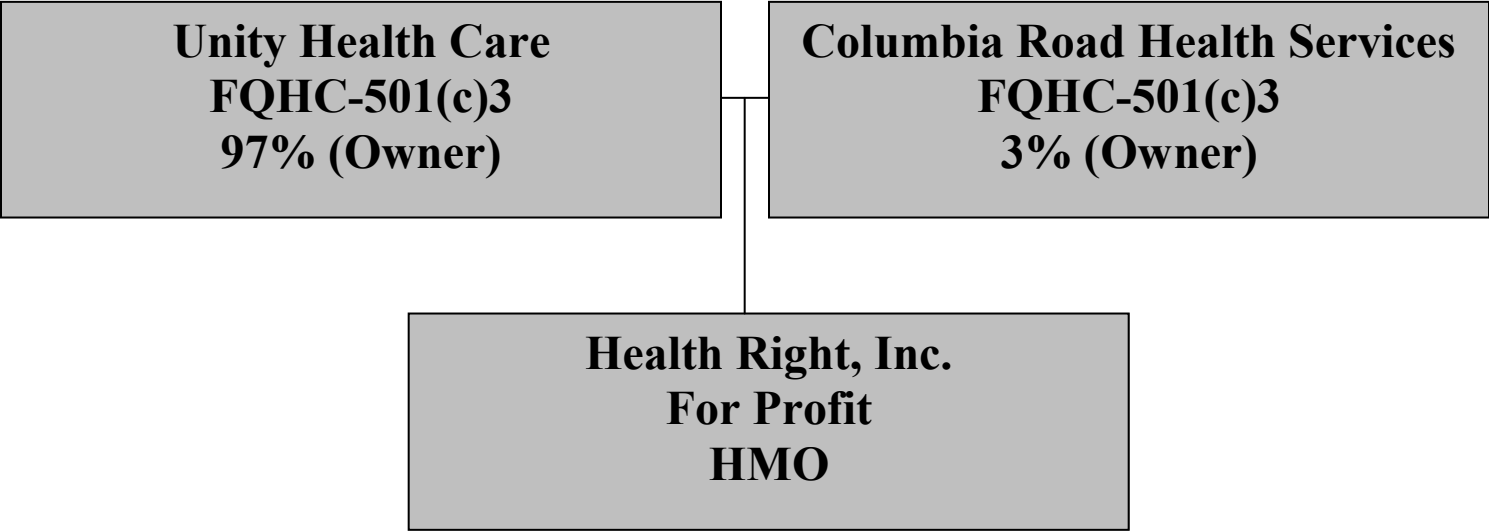
SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS  
ALLOCATED BY STATES AND TERRITORIES

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1.	Alabama (AL) .....	N								
2.	Alaska (AK) .....	N								
3.	Arizona (AZ) .....	N								
4.	Arkansas (AR) .....	N								
5.	California (CA) .....	N								
6.	Colorado (CO) .....	N								
7.	Connecticut (CT) .....	N								
8.	Delaware (DE) .....	N								
9.	District of Columbia (DC) .....	L	55,013,044		44,949,777				99,962,821	
10.	Florida (FL) .....	N								
11.	Georgia (GA) .....	N								
12.	Hawaii (HI) .....	N								
13.	Idaho (ID) .....	N								
14.	Illinois (IL) .....	N								
15.	Indiana (IN) .....	N								
16.	Iowa (IA) .....	N								
17.	Kansas (KS) .....	N								
18.	Kentucky (KY) .....	N								
19.	Louisiana (LA) .....	N								
20.	Maine (ME) .....	N								
21.	Maryland (MD) .....	N								
22.	Massachusetts (MA) .....	N								
23.	Michigan (MI) .....	N								
24.	Minnesota (MN) .....	N								
25.	Mississippi (MS) .....	N								
26.	Missouri (MO) .....	N								
27.	Montana (MT) .....	N								
28.	Nebraska (NE) .....	N								
29.	Nevada (NV) .....	N								
30.	New Hampshire (NH) .....	N								
31.	New Jersey (NJ) .....	N								
32.	New Mexico (NM) .....	N								
33.	New York (NY) .....	N								
34.	North Carolina (NC) .....	N								
35.	North Dakota (ND) .....	N								
36.	Ohio (OH) .....	N								
37.	Oklahoma (OK) .....	N								
38.	Oregon (OR) .....	N								
39.	Pennsylvania (PA) .....	N								
40.	Rhode Island (RI) .....	N								
41.	South Carolina (SC) .....	N								
42.	South Dakota (SD) .....	N								
43.	Tennessee (TN) .....	N								
44.	Texas (TX) .....	N								
45.	Utah (UT) .....	N								
46.	Vermont (VT) .....	N								
47.	Virginia (VA) .....	N								
48.	Washington (WA) .....	N								
49.	West Virginia (WV) .....	N								
50.	Wisconsin (WI) .....	N								
51.	Wyoming (WY) .....	N								
52.	American Samoa (AS) .....	N								
53.	Guam (GU) .....	N								
54.	Puerto Rico (PR) .....	N								
55.	U.S. Virgin Islands (VI) .....	N								
56.	Northern Marianas Islands (MP) .....	N								
57.	Canada (CN) .....	N								
58.	Aggregate other alien (OT) .....	X X X								
59.	Subtotal .....	X X X	55,013,044		44,949,777				99,962,821	
60.	Reporting entity contributions for Employee Benefit Plans .....	X X X								
61.	TOTAL (Direct Business) .....	(a) ... 1	55,013,044		44,949,777				99,962,821	
DETAILS OF WRITE-INS										
5801.	.....	X X X								
5802.	.....	X X X								
5803.	.....	X X X								
5898.	Summary of remaining write-ins for Line 58 from overflow page .....	X X X								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above) .....	X X X								

(a) Insert the number of L responses except for Canada and Other Alien.  
Explanation of basis of allocation of premiums by states, etc.: ~

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER  
MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART

HEALTH RIGHT, INC.  
OWNERSHIP STRUCTURE



INDEX TO HEALTH  
ANNUAL STATEMENT

Exhibit of Nonadmitted Assets .....	16
Analysis of Operations By Lines of Business .....	7
Assets .....	2
Cash Flow .....	6
Exhibit 1 - Enrollment By Product Type for Health Business Only .....	17
Exhibit 2 - Accident and Health Premiums Due and Unpaid .....	18
Exhibit 3 - Health Care Receivables .....	19
Exhibit 4 - Claims Unpaid and Incentive Pool, Withhold and Bonus .....	20
Exhibit 5 - Amounts Due From Parent, Subsidiaries and Affiliates .....	21
Exhibit 6 - Amounts Due To Parent, Subsidiaries and Affiliates .....	22
Exhibit 7 - Part 1 - Summary of Transactions With Providers .....	23
Exhibit 7 - Part 2 - Summary of Transactions With Intermediaries .....	23
Exhibit 8 - Furniture, Equipment and Supplies Owned .....	24
Exhibit of Capital Gains (Losses) .....	15
Exhibit of Net Investment Income .....	15
Exhibit of Premiums, Enrollment and Utilization (State Page) .....	29
Five-Year Historical Data .....	28
General Interrogatories .....	26
Jurat Page .....	1
Liabilities, Capital and Surplus .....	3
Notes To Financial Statements .....	25
Overflow Page For Write-ins .....	41
Schedule A - Part 1 .....	E01
Schedule A - Part 2 .....	E02
Schedule A - Part 3 .....	E03
Schedule A - Verification Between Years .....	SI02
Schedule B - Part 1 .....	E04
Schedule B - Part 2 .....	E05
Schedule B - Part 3 .....	E06
Schedule B - Verification Between Years .....	SI02
Schedule BA - Part 1 .....	E07
Schedule BA - Part 2 .....	E08
Schedule BA - Part 3 .....	E09
Schedule BA - Verification Between Years .....	SI03
Schedule D - Part 1 .....	E10
Schedule D - Part 1A - Section 1 .....	SI05
Schedule D - Part 1A - Section 2 .....	SI08
Schedule D - Part 2 - Section 1 .....	E11
Schedule D - Part 2 - Section 2 .....	E12
Schedule D - Part 3 .....	E13
Schedule D - Part 4 .....	E14
Schedule D - Part 5 .....	E15
Schedule D - Part 6 - Section 1 .....	E16
Schedule D - Part 6 - Section 2 .....	E16
Schedule D - Summary By Country .....	SI04
Schedule D - Verification Between Years .....	SI03
Schedule DA - Part 1 .....	E17
Schedule DA - Verification Between Years .....	SI11
Schedule DB - Part A - Section 1 .....	E18
Schedule DB - Part A - Section 2 .....	E18
Schedule DB - Part A - Section 3 .....	E19
Schedule DB - Part A - Verification Between Years .....	SI12
Schedule DB - Part B - Section 1 .....	E19
Schedule DB - Part B - Section 2 .....	E20
Schedule DB - Part B - Section 3 .....	E20
Schedule DB - Part B - Verification Between Years .....	SI12
Schedule DB - Part C - Section 1 .....	E21
Schedule DB - Part C - Section 2 .....	E21
Schedule DB - Part C - Section 3 .....	E22

INDEX TO HEALTH  
ANNUAL STATEMENT

Schedule DB - Part C - Verification Between Years .....	SI13
Schedule DB - Part D - Section 1 .....	E22
Schedule DB - Part D - Section 2 .....	E23
Schedule DB - Part D - Section 3 .....	E23
Schedule DB - Part D - Verification Between Years .....	SI13
Schedule DB - Part E - Section 1 .....	E24
Schedule DB - Part E - Verification .....	SI13
Schedule DB - Part F - Section 1 .....	SI14
Schedule DB - Part F - Section 2 .....	SI15
Schedule E - Part 1 - Cash .....	E25
Schedule E - Part 2 - Cash Equivalents .....	E26
Schedule E - Part 3 - Special Deposits .....	E27
Schedule E - Verification Between Years .....	SI16
Schedule S - Part 1 - Section 2 .....	30
Schedule S - Part 2 .....	31
Schedule S - Part 3 - Section 2 .....	32
Schedule S - Part 4 .....	33
Schedule S - Part 5 .....	34
Schedule S - Part 6 .....	35
Schedule T - Part 2 - Interstate Compact .....	37
Schedule T - Premiums and Other Considerations .....	36
Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group .....	38
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates .....	39
Statement of Revenue and Expenses .....	4
Summary Investment Schedule .....	SI01
Supplemental Exhibits and Schedules Interrogatories .....	40
Underwriting and Investment Exhibit - Part 1 .....	8
Underwriting and Investment Exhibit - Part 2 .....	9
Underwriting and Investment Exhibit - Part 2A .....	10
Underwriting and Investment Exhibit - Part 2B .....	11
Underwriting and Investment Exhibit - Part 2C .....	12
Underwriting and Investment Exhibit - Part 2D .....	13
Underwriting and Investment Exhibit - Part 3 .....	14